

BOARD OF MAYOR AND ALDERMEN

January 4, 2005

7:30 PM

Mayor Baines called the meeting to order.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Roy, Gatsas, Guinta, Sysyn, Osborne, Porter, O'Neil,
Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest

Mayor Baines requested Raymond Provencher and Tom Bowen approach the podium. As you know occasionally we have to pause to thank people who have served our community in a variety of ways and we do have a situation...we have term limits on various boards and commissions and Ray is completing his last term on the Board of Water Commissioners. Many of you will remember that he served as an Alderman from Ward 12 from 1974 to 1989, I believe, he joined the Water Commission in 1993 and has recently completed, as I said earlier, his last term. Anybody who has had the opportunity to work with Ray, many of you have, and I think a couple of Aldermen served with Ray and know that he's one of the true servants of the people. He served with humility, distinction, is a man of integrity, is a family but really committed not only to his community but to serving our community in a variety of ways and it's a special gift when you get someone of his caliber that's able to serve with the kind of distinction and humility that he serves with. I do attend almost all the meetings of the Water Commission and I can say it's one of the stellar commissions here in the City and Ray has certainly given his all to help guide one of the most ambitious projects with the new water treatment plant facility that all of us should be very, very proud of and certainly I'm certain he'll be present at the grand opening of that great facility. So, it's with this spirit and with appreciation that first of all I acknowledge your service to our community, present you with a Key to the City on behalf of the Board of Mayor and Aldermen and the citizens of the City and we thank you for doing so much in public service to your hometown the City of Manchester. congratulations, Ray.

Mr. Thomas Bowen, Manchester Water Works Director, stated Ray this is a representation of a plaque that was presented to you at the November meeting of the Board and we had a little technical issue with the photograph and it's been corrected and I'll read the plaque...it says "with sincere appreciation and thanks to Commissioner Raymond W. Provencher for his dedication and loyal service to the Manchester Water Works...January 1, 1993 to December 31, 2004...Board of Water Commissioners and Staff of the Manchester Water Works."

Mr. Provencher stated to recognize a lot of the senior staff when I was left in 1989, came back, still here and still doing a great job. Also, two Aldermen who are still here from when I was here in 1989...Aldermen O'Neil and Thibault...congratulations to you people. So, to all departments I'm very pleased as a Manchester citizen...continue and move on. Thank you.

Update from Bruce Berke, Lobbyist, regarding 2005 Legislative Session.

Mayor Baines stated just an announcement that at ten o'clock on Saturday morning we'll be meeting with the Legislative Delegation here at City Hall.

Mr. Bruce Berke stated the Legislative Session is officially getting underway tomorrow, but for many months already the legislatures have been preparing for the next Legislative Session and we have been monitoring them and participating in that process. The legislature opens up tomorrow and then on Thursday the Governor-Elect Lynch is sworn in as our new Governor, but in September incumbent legislatures who were reelected have been filing pieces of legislation relative to a whole host of issues across the board affecting State government, City government and certainly we are going to be focused on those relative to City government. In particular, we are focused on a few issues in which the City of Manchester is taking an initiative on some legislation. It was referenced in a one page memo that I distributed through Mike Colby that I think has been a part of your information packets for this evening's meeting and primarily it deals with the three initiatives...Senator Lou D'Allesandro has introduced a bill relative to increasing State Building Aid for school projects that include more than one community and in conjunction with the City of Nashua Manchester is initiating legislation that would permit it to enter into and amend debt swap agreement(s)...a legislation that could potentially save the City of Manchester significant amounts of money. We've been working with the Manchester Finance Department on this legislation and Kevin Clougherty and Randy Sherman have helped in the drafting of the legislation and we're in the process of having that go through the legislative drafting process...it is not an official bill yet. There are very few official bills at this particular time, there's very little in the way of text to look at or proposed legislation at this stage of the process. The first year of the biennium is a time when all of the bills are not likely to be in print until the end of January. In the second year of the biennium it's earlier in the process because they're not having to come off of an election cycle. On Saturday, myself and Valerie Acres will be here to meet with the City Delegation and we'll be obviously coordinating our efforts with members of the City Delegation as we have in some of the introduction of this legislation and Lou D'Allesandro is sponsoring both of the bills that I mentioned...the State School Building Aid bill and the Debt Swap legislation that is proposed.

Alderman DeVries stated there is a third piece that I wasn't familiar with on the language change so that the City...to add language to make it possible for the City to refinance or finance...make it similar to what the State has the ability to do.

Mr. Berke replied yes that is a part of the same bill as the Debt Swap bill, but it's not totally a separate initiative, it's within the same bill. I would defer perhaps to Randy Sherman for specific, technical questions on how it might operate.

Alderman DeVries stated I guess my question is is that something that came out of discussion after it left the BMA when we looked at that, I just don't recall the language change.

Mr. Randy Sherman, Deputy Finance Officer, stated the discussion that we had doing swaps actually came last spring when we actually had a proposal to do a swap agreement on the school refinancing.

Alderman DeVries interjected that I recall.

Mr. Sherman stated if we had had the legislation at that time I believe the savings would have been somewhere in the eight to nine million-dollar range. But, because we did not get the legislation passed last year we went through earlier this fall and actually did a traditional refinancing on that school debt, but we still think it would be appropriate for Manchester and Nashua to have the ability to do these swap agreements...issue variable rate debt, swap between fixed rate which is very similar to what we did at the airport and saved millions of dollars on airport debt. Again, the State has the ability to do that and we clearly think that the two largest cities in the State should also have that ability.

Alderman DeVries stated I guess my question would be the concept that the bill was written around is no different than what was presented last spring.

Mr. Sherman stated we've actually pared it back...last spring it was much broader. We actually pared it back and took out some of the more outlying options that you might have under doing swap arrangements. But, again, basically to answer your question, yes it's the same.

Alderman Shea stated you're talking about a swap agreement. Could you define that so that people listening and people here can understand what you really mean by that?

Mr. Berke replied sure. I could either read from the proposed statute or Randy would you like to...

Alderman Shea stated definitions are important and people have to understand what we're talking about when we're talking about a swap agreement.

Mr. Sherman replied in essence what a swap agreement does is you either issue your debt and I'll give you a variable to a fixed rate...we would issue the debt on a variable rate...that means the interest rates that the City would be paying on that debt would be linked to some indices. But, what the City would do is we'd issue that and then we would find a counter party who would make those variable rate interest payments and we would pay them a fixed rate. So, on the airport we sold the bonds where the interest is determined based on an indices, but we pay The Lehman Brothers a flat 4.38% on those. So, the City sells variable, but we swapped it over to a fixed rate. So, we pay fixed, somebody else pays the swap. So, if the interest rates go down Lehman Brothers actually benefits. If the interest rates go up then Lehman Brothers is the one that loses on the deal but the City always is paying 4.38%.

Alderman Shea stated I think there was something brought up and I believe Alderman Gatsas brought it to our attention, if I may use the example that occasionally a swap agreements involves swapping with somebody that may or may not be a reputable person. I mean Lehman Brothers probably is, but there have been other instances where a swap agreement has resulted in somebody from say wherever being part of the scenario and all of a sudden the bottom is out and we're not really getting what we should get. So, I think you brought that...if I may, did you bring that to the attention of the Board, Alderman Gatsas?

Mayor Baines stated I will interrupt for a minute...former Alderman Provencher...we neglected to welcome your family. I know your three daughters are here and all of the extended family and when you serve the public the family also serves and sacrifices as well and I'd like all of the family members to stand to be recognized by the Board of Mayor and Aldermen.

Mr. Sherman continued by stating clearly when you enter into one of these agreements your counter party, in the case of the airport Lehman Brothers, is the key player and you certainly would want to make sure that you've got a reputable firm. But, again, they're very common these days...derivatives and swaps used to be a nasty word, it's not anymore. They're very common and again we've done it at the airport and a lot of states do them.

Alderman Lopez stated when we first started this process where are you in the procedure process of reporting...to who do you report to and what procedures so that the Board of Mayor and Aldermen know exactly what's going on in Concord.

Mr. Berke replied that's a good question, Alderman Lopez. The person that I have the most contact with and these days it's on a daily basis is Mike Colby, the Assistant in the Mayor's

Office. We are also working to establish lines of communication with the Delegation from the City of Manchester and on Saturday we'll be here meeting with the Delegation and in addition to that later this month we're going to be having a meeting once we have text to look at on all of these bills that we've been talking about and reviewing bill titles for legislative proposals we'll be having a meeting with Chairman Shea and I'm sure any other Aldermen would be most welcome to participate in that meeting and once we have identified those issues, those particular bills that we want to track, we want to weigh in on, we want to participate in the process and lobby for or against then we will be reporting to the Board of Mayor and Aldermen on a (probably) bi-weekly basis with written reports indicating the progress of each of those particular bills that we have determined as a priority interest to the City of Manchester.

Alderman Lopez stated the City retained you for \$9,000.

Mr. Berke replied in calendar year 2004, yes, that's correct.

Alderman Lopez asked is there a report that we can get for the Accounts Committee, what we were charged for for \$9,000 or a breakdown as to what those charges were.

Mr. Berke replied I could certainly produce a report for you if you'd like that, Alderman Lopez that was not a part of the contract that we agreed to last spring. But, as someone involved in the public debate and involved with the public trust we'd be glad to present that to the Board.

Alderman Lopez stated I would appreciate that. The last question I have, Mayor, you have \$15,000 in the budget.

Mayor Baines replied I know there's a \$15,000 commitment for this year 2005.

Alderman Lopez asked is that a signed contract already.

Mayor Baines replied I believe it is.

City Solicitor Clark stated I don't have it with me but I believe it was last year it was entered into as a two-year contract.

Alderman Gatsas stated a clarification, Tom. Is that contract for fiscal year 2004, 2005?

Mr. Berke replied it was a calendar year, Alderman Gatsas...for 2004 it went from April '04 to December 31, 2004 and for the second portion of it it goes January 1 to December 31, 2005.

Alderman Gatsas asked what is our position right now with the NH Municipal Association, have we paid those dues or not?

Mr. Sherman replied yes they've been paid.

Alderman Gatsas asked what is the total amount that we've paid them?

Mr. Sherman replied \$25,000 or \$26,000 something like that.

Alderman Gatsas stated so we have about \$40,000 invested in lobbyists.

Mr. Sherman stated it's \$26,672.

Alderman Gatsas stated I guess I need some clarity here because there are times when...and Bruce you will agree that your position or the City's position is different from the Municipal position and where are we going to be, how are we going to be represented for the \$40,000 that we're spending?

Mr. Berke stated I think clearly that there are going to be...

Alderman Gatsas interjected not you to answer, that's for the answer behind me.

Mayor Baines asked what's the question again?

Alderman Gatsas replied my question is we're spending in excess of \$40,000 for a lobbyist representation...\$15,000 for Mr. Berke's firm, \$26,000 for the Municipal Association...there are times that I've seen in the Legislature that they're opposite position and what are we going to do when those opposite positions arise?

Mayor Baines stated I would hope if there are situations like that the Board of Mayor and Aldermen would weigh in on their position and that would become the position of the Board of Mayor and Aldermen.

Alderman Gatsas asked what if it's contrary to the positions that either one of the lobbyist's are. Because God knows that Mr. Berke has far more clients than just one.

Mayor Baines stated I've been up there and we've testified on bills in opposition, the positions taken by people representing in the Legislature so I think that's just part of the process that occurs.

Alderman Gatsas stated back to the swaps because I think that's important. Randy, can you tell me in the bonding procedures that we have now does the City have any risk?

Mr. Sherman replied when the City issues General Obligations Bonds, right now, issues them at a fixed rate. So, once we sell those bonds we know what that rate is and the only thing that we can do other than that would be to refund those bonds which would only lower the rate.

Alderman Gatsas stated so let me ask the question again. In the financing procedures that the City uses right now is there any risk to the taxpayers of this City?

Mr. Sherman replied I guess the risk that you have to the taxpayers is that because it's a fixed rate bond you don't have access to variable rate markets. So, you may get stuck with a higher interest rate than you would otherwise if you could go with a variable rate.

Alderman Gatsas stated that's based on a risk that you as the Assistant Finance Officer make that decision; that is a risk that's based on market condition.

Mr. Sherman stated yes.

Alderman Gatsas asked how much of a risk is involved in swaps and maybe the explanation should be a little easier. What the swap alternative is, is that we as a City go in and may purchase bonds at say let's say 6% with the assumption that they may be going up and we can lock in or sell those bonds to somebody at the higher rate and lock in a lower rate. Is that correct?

Mr. Sherman replied no, I don't think so, Alderman. What we would do is we would go in and sell them at a variable rate, so it's not going in and locking in at 6%. It's going in at a variable rate. We then find someone who has an appetite for a variable rate and is willing to accept a fixed rate to get the variable rate.

Alderman Gatsas stated correct, however, if those rates escalate during that time period the City could be at risk.

Mr. Sherman replied no. No, the City's not at risk, it's the third party that you're doing the swap with that has that rate risk. The City stills ends up with a fixed rate.

Alderman Gatsas stated if you don't have the ability to swap them because you've missed the market.

Mr. Sherman stated when you sell the bonds at the time you sell them it's all one transaction, it all happens at the same time.

Alderman O'Neil stated just a couple of comments. I know I was one that was concerned about our affiliation with the Municipal Association. Lobbying in Concord is one of many things that they do and I think there are pros and cons to belonging to it but I think there are pros in belonging to the Municipal Association. I think one of the reasons we had a discussion about bringing on our own lobbyist was to represent our position and I don't want to speak for Mr. Berke and I'm going back on memory here but I believe his firm either had no or few other municipal clients, am I correct with that?

Mr. Berke replied we did not have any municipal clients.

Alderman O'Neil stated we're you're only municipal client currently, correct.

Mr. Berke replied correct.

Alderman O'Neil stated I would hope if it's an issue related to municipal government that they would be taking the position of the City of Manchester.

Alderman Shea stated I just wanted to ask Randy this question. Does our bond rating...is it impacted when we begin this swap agreement with anybody...does that deteriorate from it, does it make people on Wall Street or wherever we borrow from a little bit leery about what we're doing here, does that impact that at all?

Mr. Sherman replied no actually they kind of like the idea if you've got a mixed portfolio. It kind of hedges one against the other, you've got some fixed rate, some variable rate...they kind of like that idea. Again, we've done it out at the airport and it's worked real well for us.

Alderman Shea stated one of the problems I have with this is that as a legislative body here are sort of dependent upon the legislative body up in Concord which is represented duly by us here on this particular Board, but I think the ultimate commitment for our responsibility toward the taxpayers rests with making sure that our bond rating is where it should be and not deviating from any point and I think that's a point that's very important as far as I'm concerned and the other members might be too.

Alderman DeVries stated I just wanted to remind as the rest of the Aldermen well know the exercise that we are going through is just going to enable the process should it become favorable in the future. It does not automatically mean that we are going through the process. We will have extensive discussion when we get there but enabling legislation to take advantage of the market as the State has done, as many other cities have done might be advantageous to us. I'm glad that the legislation will be available to us, the scrutiny as to whether it is proper for us will be had at the time that our Finance Department comes back and says they would like to pursue something and then we will definitely have further scrutiny of the subject.

Alderman Guinta stated thank you, Bruce, for the update. I have two questions starting with Finance. With respect, Randy, to the airport is there ever a situation where the fixed rate turned out to be higher than the variable after it's sold.

Mr. Sherman replied yes.

Alderman Guinta stated as this legislation moves forward can we get those scenarios so we have the...

Mr. Sherman replied absolutely. As we start to put together presentation materials to go to the Legislature we'll provide those to the Board.

Alderman Guinta stated other Aldermen were getting at the point what is the risk and that's the risk. The risk essentially is that we get into a fixed rate and variable rate comes lower, so now we're paying at a higher interest rate than before essentially and that has happened in certain circumstances at the airport.

Mr. Sherman stated when we did the swap at the airport we were doing a refinancing and the fixed rate that we swapped to was less than the fixed rate we were previously paying. So, the City did save money on that swap, but obviously where the interest rates have been in the last couple of years no one predicted they were going to go that low and Lehman certainly is paying the variable rate and we're paying them a fixed. Lehman Brothers has done well with this deal but the City also saved money by having the ability to do that swap.

Alderman Guinta asked what is the differential now, is it more than a point, two points?

Mr. Sherman replied it's probably right around 2 basic points.

Alderman Guinta stated in that situation you can't reswap, correct...you're only allowed one.

Mr. Sherman stated you can actually unwind a swap but there's a value to doing that.

Alderman Guinta stated and there's a penalty.

Mr. Sherman replied there's a value that Lehman would put on that as far as what they believe the differential is between the fixed rate and the variable rate.

Alderman Guinta stated that is what I would consider a penalty. So, there is some risk. I'm not opposed necessarily to the legislation but as we move forward we need to recognize that there is a certain risk and we've acknowledged that because we've been through it. The

second point I wanted to make with respect to the Municipal Association...we have a seat on that board, is it the Board of Aldermen or the Mayor?

Mayor Baines replied Mike Colby's been representing us.

Alderman Guinta asked how often are those meetings?

Mayor Baines called upon Mr. Colby to respond.

Mr. Michael Colby, Assistant to the Mayor, stated they meet just about monthly. We have a seat on the Municipal Advisory Committee which sets policy and tries to put issues in place for the Municipal Association to move forward on how they lobby.

Alderman Guinta asked are we attending every meeting?

Mr. Colby replied I've attended, I think, the last four months I think I've attended all of the meetings. I may have missed one.

Alderman Guinta asked would it be appropriate for the Board to get a status of those meetings.

Mr. Colby replied absolutely.

Alderman Porter stated we're talking about potential enabling legislation. So, any issue that with a final decision as to whether a swap were done or not would rest with the Board at the time.

Mr. Berke replied absolutely.

Alderman Porter stated the other thing as far as risk is concerned and it may be semantics but I don't look at this as a risk issue as much as what we would call an opportunity loss issue. If we're locked into a fixed rate I don't think that that's a risk as opposed to the fact that just because we can't refund it or refinance it for a lower rate and I think that to me risk would be...is there any chance of our getting wiped out or anything of that nature and the answer is no. The other thing is I think certainly that the money that the City is paying Walter McCabe for the kind of financial advice on swaps and things like this that he would advise us well and I personally see no problem with this legislation.

Mayor Baines stated thank you very much, Mr. Berke.

Presentation to be made by Robert MacKenzie, Director of Planning,
regarding the Shoreland Protection Act.

Mr. Robert MacKenzie, Director of Planning, stated the Board had requested, after they had received some correspondence from the State Environmental Services, the Board asked for a quick presentation on what the Shoreland Protection Act is and how it affects Manchester. I have a very brief presentation, I also handed out to all members a one-page summary of the key portions of the Shoreland Protection Act and I'd just like to run over those key items. First of all, it generally governs land that's within 250 feet of a seacoast, major river or a great pond, which are the larger lakes in New Hampshire. Within the 250 feet, for example, there's restrictions on fertilizer use, you cannot have phosphorous type fertilizers used within that area, excavation and construction...there must be a specific permit that's granted by Environmental Services...there's a lower threshold for site specific permits. Again, that's a State permit when you're disturbing either cutting major areas or disturbing soils and there's frontage requirements on all of these. So, if you want to subdivide a property on the Merrimack River you have to have at least 150 of frontage in order to satisfy that requirement and that is more restrictive than the City's Zoning Ordinance and there's other within the 250 feet...you have to seek permits for public work as well...utility work, sewage treatment plant facilities, water treatment facilities...a special permitting within 250 feet. Within 150 feet there is woodland protection, it's a woodland buffer of 150 feet, you must keep a well-distributed stand of trees within that area and for a timeframe of a 20-year period you can only cut 50% of the basal area and the basal area is actually the diameter of the trunks of the trees. So, you could have one large tree of 2 feet equals perhaps 6 or 7 smaller trees. So, you can cut basically half the tree area within that distance. Also, you cannot take out stumps within 50 feet and I'm not sure why that regulations there's. I'm not showing on this particular diagram is the fact that septic systems have setbacks from water bodies and those are somewhat variable...the closest is 75 feet. But if it's better soils or if it's worse soils that ranges up to 150 feet. So, there is a range on how far, how close you can get to the water body with a septic system. Within 50 feet of the water is the minimum that you have to have for structure and that's primarily buildings, houses, commercial buildings, also parking lots. We have had one instance in Manchester where there was a structure proposed within that distance and ultimately that proposal was withdrawn. I think Planning Board members may remember that proposal. Also, accessory structures which might be a garage, a shed, a patio...those have to be at least 20 feet from the water body and they do have terminology defined as a reference line which is typically the high water mark of a river, high water mark of a pond. Cities may request waivers of the Shoreland Protection Act, I don't believe any community has been granted a waiver. The City had considered one for the Riverfront Development but actually the developers in that case after meeting with us and the State and others determined that they could meet all the standards so the waiver was not required. In Manchester this applies to three of the larger rivers...it applies to the Merrimack River, the Piscataquog and Cohas Brook. Smaller brooks like Black Brook are

not affected by this particular act. It also applies to Lake Massabesic, of course, and five of the larger ponds in the City including Crystal Lake, Pine Island Pond, Nutts Pond, Stevens Pond and Dorrs Pond. At this point, I'd be happy to answer any questions of the Board.

Alderman DeVries stated, Mr. MacKenzie, just briefly if you could touch on it...enforcement. The reason that I asked you to come back in to give us a further clarification of this act for the viewers at home is I am familiar with individual home owners on a body of water that was protected and this is outside the City limits that had to pay substantial amounts of out-of-pocket expenses to replace vegetation that they had landscaped in their minds that the State felt otherwise they had disturbed, so if you could talk about the enforcement...who enforces and anything you might know about that.

Mr. MacKenzie replied the State when they passed this law in 1991 they did not set aside a very large amount of money for enforcement. They do not have a number of enforcers that go out and inspect. Instead, the State said that the city would have to...the city and the towns would have to recognize these regulations whenever they were doing land use activities or reviewing different projects. That does make it hard for the individual property owner because there's nobody specifically looking at enforcement. If a city does see a problem they do have to report it to the State and we get involved with the DES. DES does encourage communities to adopt their own regulations consistent with these which might put a little bit more bite into the regulations but then again it means a lot more work for the local communities. The City of Manchester has not, to this point, adopted any Shoreland Protection Act.

Alderman DeVries asked what does that mean?

Mr. MacKenzie replied that means that basically the communities that have adopted regulations...I think there is only one that have actually adopted regulations more stringent than the State and that was the Town of Sunapee. But, many communities have adopted basically exactly the same provisions of the State Shoreland Protection Act and so all of the local agencies are enforcing and permitting for any changes. So, in effect, if the City of Manchester wanted to adopt them it would make it City regulations and we'd be required to have a permitting process and an overview process of any activities in this area. At this point we're just working with the State and notifying the State if we see any violations of the act.

Alderman DeVries asked would it be your recommendation that maybe we make a referral to Lands and Buildings Committee to pursue that conversation with you to see if a zoning or whatever type of adoption is required to go forward for the City of Manchester.

Mr. MacKenzie replied I think it would be good to have another discussion at committee level particularly about this property owner that ran into some difficulties. I'm normally hesitant to have duplicate or a lot of red tape at the local level if it's not absolutely required.

But, I'm usually hesitant to recommend that because there's a lot more work on City staff's part and to my knowledge we had not had any difficulties. We've had a few instances where we've worked with property owners because we became aware that there were issues. But, it might be good to have a committee review it...particularly that one property owner to see if that would have prevented it in that case. It might be Bills on Second Reading though...the Committee that would...because they handle zoning changes and I suspect it would be a zoning provision.

Mayor Baines stated thank you very much for your presentation.

CONSENT AGENDA

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Accept BMA Minutes

- A. Minutes of meetings held on September 7, 2004 (two meetings); October 5, 2004 (two meetings); and November 3, 2004.

REFERRALS TO COMMITTEES

COMMITTEE ON BILLS ON SECOND READING

- C. Ordinance amending Chapter 90: Animals, Section 90.11 License Required submitted by Deputy City Clerk Johnson.
- D. "Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as West Haven Road, Map 0922/Lot 0039-A."

COMMITTEE ON FINANCE

- E. Resolution:

"Authorizing the Finance Officer to effect a transfer of Five Thousand Dollars (\$5,000.00) from Contingency to Management Services."

REPORTS OF COMMITTEES

COMMITTEE ON LANDS AND BUILDINGS

- F. Recommending that certain property known as West Haven Road, Map 922, Lot 39-A, be found surplus to City needs and that the Mayor be authorized to dispose of same subject to conditions as follows:

The Committee recommends that the City execute a purchase and sales agreement with Dennis Traynor and Diane Traynor of 139 Mayflower Drive and Harold Bradley of 20 Robin Hill Road. Terms of said purchase and sales agreement to include the city attaining approval of the subdivision of said property, approval of consolidation of property with abutters lots, and reimbursements of costs to the City by the purchasers at a price not to exceed \$3,000.

The Committee notes that said property was acquired by Tax Collector's Deed dated January 16, 1991 and recorded in the Hillsborough County Registry of Deeds on January 21, 1991 Book 5234, Page 1626. The Board of Assessors concur that the above noted disposition reflects a reasonable value and the Planning Director has provided a report as contained herein. The Committee notes that it finds just cause to sell said property to the abutters as said parcel is considered residual/unbuildable, serves no practical public purpose other than to the abutters, is presently a liability to the City as a waste disposal site and property shall be placed back on the tax roles as a result of property transfer.

The Committee further recommends that the Highway Department, Planning Department and City Solicitor be authorized and directed to carry out process and transfer of said parcel, and that the Finance Director be authorized to credit tax deed accounts as may be appropriate upon final transfer of said property.

**HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN
O'NEIL, DULY SECONDED BY ALDERMAN FOREST, IT WAS VOTED THAT
THE CONSENT AGENDA BE APPROVED.**

- B.** Ordinance amending Section 33.027 Employee Recruitment and Selection (F) submitted by Aldermen Garrity and Porter.

Alderman Shea stated this particular item did not come before the Human Resources Committee and moved that it be referred to the Human Resources Committee because I have a concern because if one were to read we are changing the ordinance and what concerns me is if we look at the original ordinance it says...“qualified applicants.” If we look at the language that wants to be changed it's “of all applicants”...as a City we should look for qualified applicants and I don't think that we're doing justice if we have qualified people who play the game properly and are qualified for a position and now we're saying we don't need to look at qualified applicants, we can look all applicants. Only qualified applicants, your Honor, in my judgment should be hired by the City and anytime that I'm approached by a constituent I make it plain and clear that no one should be selected politically. They should be selected on the basis of their qualifications.

Mayor Baines stated procedurally this belongs with Human Resources doesn't it.

Alderman Shea stated yes, I don't know why...

Mayor Baines stated I agree. I accept the motion that it be referred to the Committee on Human Resources.

Alderman Smith duly seconded the motion.

Alderman Osborne stated I just want to bring you back a few years, about 20 years ago I was into this particular ordinance because at that time Wilbur Jenkins was the Personnel Director and at that time it seemed like there were qualified but would only send four or five applications or whatever applications he felt was qualified high enough for the department head for him to determine which applicant he would hire and I think that basically I don't know what expertise the personnel department has over a department for a particular position.

Mayor Baines stated the reason we have the human resources person is to ensure that all applicants are qualified for the positions for which they apply and we should have a procedure that's devoid of political influence/involvement in the process. But, I'll let Mrs. Lamberton amplify on that. What expertise do you have to determine whether people are qualified for a position.

Mr. Virginia Lamberton, Human Resources Director, replied it is my professional background and I've been doing it for some 28 years. We have a system that requires job classifications, this is a civil service system and the purpose of it is to make sure that there's no politics and that people who get jobs are qualified and people get to keep their jobs even though different people get elected for their positions. Our classification system, one of the components of it is to have people be educationally and experientially prepared to do the duties that are listed in the job classifications and if they're not educationally/experientially prepared based on their background then they're probably not going to be successful at the job and they probably will end up getting fired and we'll have to hire someone to do the job that they are unable to do.

Alderman Osborne stated basically if we're going to go with just qualified when I brought in something about a lottery system I guess everybody laughed at that but I had said all qualified employees, put them into a pool and may the best man win. So, I don't understand why a department can't take care of his department that is what we have them for. In other words, we send all applications there why can't he determine who is qualified and who isn't. Why do we have to have a personnel department?

Mayor Baines interjected that's why you have a Human Resources Director and Department.

Alderman Osborne stated that can be changed, your Honor, can't it?

Mayor Baines replied it could but I would caution against doing it. It should be a professional process, not a political process.

Alderman DeVries stated I wholeheartedly agree that to allow politics to enter into the hiring process is not someplace we want to go. That being said though I do agree that a discussion should be had at the HR Committee...the reason being that some department heads have brought to my attention that there could be certain jobs, maybe marketing or something of that vein where it's not as much meeting the exacting job specifications that have been laid out but as much of personality and a person's ability to become the job. It made me think that maybe there should be some policy change where a department head with a certain position where he's looking for a certain type of candidate can maybe go through a process...maybe address HR for a certain position that he would like to see all of the applicants or would like to go through a broader research of the applicants that have...not opening the door for every job...yet unqualified individuals but allowing some sort of an opting out, a bypass of that in certain circumstance where the HR Committee would review it and say yes we agree in this case...maybe we will send more than the usual candidates forward. It's a conversation for the Committee level.

Alderman Guinta stated it sounds like...I think I'll just reiterate a couple of points...it sounds like the language change would allow the department head a little bit of wider latitude in hiring his or her own people and summarily assume that we were to allow to happen that all of a sudden politics would enter into the situation, I think might not necessarily be true. Maybe because it happened in the past years ago doesn't necessarily mean that it's going to happen in the future. Mayor, you like to hire your own people that's your job, so if I ran a company I'd like to hire my own people. So, to me I think it does deserve some discussion at the very least.

Mayor Baines stated absolutely and I support discussion at the Human Resources Committee.

Alderman Porter stated I'd like to make a comment. If anybody thinks you're going to remove politics from a political environment is smoking something that I'd like to get a hold of and if you look around you everyone of us here is through politics and I think it's working fantastically. Where could you get a much better group than this? My point with this and I'm very strong about this and I don't want to have a lot of discussion either because it will be discussed in committee. Nobody knows the needs of a department than the department head, not Human Resources, not the Mayor's Office, no other department. I don't think that we're in a situation where people are going to hire some stiff just because an Alderman said hey, look could you give the kid an interview and I think the department head should at least be given the courtesy to have all of the applications submitted. HR can take them and qualify them as either unqualified, minimally qualified or highly qualified and then let the department head make the decision. I would be willing to bet you there are a number of people working for this City who are outstanding employees who probably wouldn't have been able to get the job and that's a shame and I think that at least the department head should be given the courtesy of an interview. We have these department heads running

multi-million dollar operations, but gee we don't trust them to hire somebody to mow the lawn.

Mayor Baines called for a vote on the motion to refer to the Committee on Human Resources. There being none opposed, the motion carried.

Mayor Baines stated we encourage people in the community to apply for various boards and commissions, we do have it out on the website and I know I see it on Community Television, as well.

Mayor Baines presented the following nominations:

Safety Review Board:

Graham J. Chynoweth to succeed Robert Dufresne, term to expire March 15, 2006.

Retirement Board:

Charles Hungler to succeed himself, term to expire January 2008.

Building Board of Appeals:

Russell Bell to succeed himself, term to expire January 8, 2008.

Alderman Lopez moved to suspend the rules and confirm the nominations as presented.

Alderman Garrity duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Garrity, duly seconded by Alderman Guinta, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

OTHER BUSINESS

- 10.** A report of the Committee on Finance was presented recommending that Resolution:

“Authorizing the Finance Officer to effect a transfer of Five Thousand Dollars (\$5,000.00) from Contingency to Management Services.”

ought to pass and be Enrolled.

Alderman Sysyn moved to accept, receive and adopt the report of the Committee on Finance.

Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

- 11.** Communication from the Board of Assessors requesting authorization to execute contract with Vision Appraisal Technology noting that additional funding will be required to complete the 2006 citywide revaluation.

Alderman Porter moved to approve request. Alderman Thibault duly seconded the motion.

Alderman Porter stated I believe the motion would be more appropriate to amend this that the Mayor be authorized to execute a contract. The last two revaluations and I believe it was as the CEO that the Mayor enters into agreements in this matter and not the Board of Assessors.

City Solicitor Clark replied there's no problem with that. Your Honor, I believe your signature's on the page anyway.

Alderman Porter moved to amend the motion that the Mayor be authorized to execute the contract with Vision Appraisal Technology. Alderman Thibault duly seconded the motion.

Alderman O'Neil stated didn't I just hear the Solicitor say that it's there anyway.

City Solicitor Clark stated generally when you authorize execution of a contract the Mayor has to sign it anyway...in this case, the Mayor would be signing it anyway.

Mayor Baines stated I think it's just clearing up the reading, I have to sign it anyway.

Mayor Baines called for a vote on the motion to amend. There being none opposed, the motion carried.

Mayor Baines called for a vote on the motion as amended.

Alderman DeVries stated under 3.5 Informal Reviews there's mention of a worldwide website that will be open and inspectable by the public until December 31, 2009. I just wondered if...it sounds like that will be the property of the company that we are going to be doing business with (Vision) and I wondered if there shouldn't be something added to that that should there be, for some reason, a desire to continue that website past December 31, 2009 that we have that ability to do so.

Mr. Steve Tellier, Chairman of the Board of Assessors, replied I believe the website has a significant amount of New England communities on it. It's up and running, it also has the ability to have comparable features so that the taxpayer when they're looking for a comparable structures when they receive their notification of value they can go to the website and have the ability to search that website for comparable properties in the privacy of their home instead of coming to the City Clerk's Office, the Assessor's Office or the

Library. They're allowing us the ability to host the Manchester data...the data is the propriety of Manchester, they're just going to host the data for two years and likely another six months preceding that as part of the revaluation as well. I will be submitting a letter to the Board of Mayor and Aldermen hopefully to send to committee for discussion purposes, the possibility of hosting our values even before the final notice of values to get people used to it and so that this Board has the opportunity to discuss all of the issues surrounding hosting information on the web.

Alderman DeVries asked could we adjust that date by making it before June 1, 2006 for this website?

Mr. Tellier replied they're going to host the values as part of the revaluation as well during the informal hearings and the notification process. They're just providing two years after that as part of the contract.

Mayor Baines called for a vote on the motion as amended. There being none opposed, the motion carried.

- 12.** Communication from the Police Chief Jaskolka seeking authorization to fill four Police Officer and one Police Sergeant vacancies by February 28, 2005 in order to meet the April 2005 Police Standards and Training Council Police Academy and to adjust their budget accordingly to meet the requirements of new hires.

Mayor Baines stated there has been a new letter submitted today in reference to Item 12.

Chief Jaskolka stated in the initial letter that I sent out it speaks of four police officer vacancies that I currently have along with the supervisor vacancy and once approved for the promotion I'll have five vacancies within the rank and file of police officers. I also have learned since this letter came down that I have another police officer that will be retiring in April and another one towards the end of June bringing the total up to seven police officers short. The reason I come to you is that in looking at the adopted budget along with the cut from the original budget and the 2% reduction and the 2% cola's I start off at approximately \$676,000 below the original budget. Coupled with the Verizon overtime, which still comes out of the budget, estimated at approximately \$95,000 for this year and at the current time of the Johnson Street homicide is standing at \$19,500 in overtime. The vacancy positions by not filling the four officer positions since the start of this particular budget if I were to hire these five particular officers on February 28th which is about the latest I can possibly hire them to prepare them to attend the April Police Academy making them street ready from mid-July to early August would be February 28th and that would have amounted to a savings of \$390,000. All of this, even with the original budget hiring these in the amount that I will bring forward in a minute, I still anticipate that I may have to come in front of this Board for a budget adjustment prior to the end of this fiscal year on the actual budget itself without

these particular police officers. This year we experienced the busiest year in some time for the Manchester Police Department. We averaged 281 calls a day for service. In 2004 we received 102,875 calls for service. Again, we estimate that approximately a third of these calls are multi-unit responses. In other words, it's two, three, four, five cruisers that go to the call.

Mayor Baines asked could you go through those numbers again.

Chief Jaskolka replied yes. Calls per days for service is 281 calls a day. In 2004, we received 102,875 calls for service. Again, a third of those being multi-unit calls would have meant that we dispatched, at minimum, 137,000 units to a call for service and that number only accounts for calls that are actually given a case number. Oftentimes the officer's on the street are referred to robots responding call-to-call and doing very little pro-active policing. There were times this past summer when I didn't have a unit to respond to an emergency in progress call because we were simply tied up. We had to pull them off another call, maybe not as important, but pull them away and then send them to an in-progress call. Again, these numbers don't include pro-active policing done by Community Policing, Senior Service Officer, the Crime Prevention Unit and at times patrols doing service checks, business checks, on checks on people that they do on a routine basis. On average our Crime Prevention Unit attended 20 events per month and that unit is already two officers short from the original budget...the original cut that I did at the beginning of this budget. If we continue at the rate that the budget is going again I am going to have to do the reassignments I did at the beginning of the budget which would first of all eliminate the Community Policing units. They are part of the Patrol Division...I would have to use them as a regular patrol unit. Community Policing over the past 14 years since the early 90's have been working towards not only just responding to incidents but trying to address the causes of the crimes and that's all done, again, through the Community Policing Unit. During the last cuts at the beginning of this budget the biggest complaint that this department received from inner-city residents was they wanted their Community Policing officers back. They wanted the officers back in their neighborhood dealing with the problems within the neighborhood. On a normal basis a Community Policing officer is not dispatched to a call for service he works within his own area, he works with the people in the area, he works with businesses in the area, he works with services in the area and together they combine creative and critical thinking to resolve crimes within the neighborhoods. If I were to reduce or cutback totally on the Community Policing Unit I would essentially be taking the department back to the early 1990's where we were a reactive department. We reacted to crime and there was very little pro-active policing going on. Also part of the cuts...again, I've taken two people out of the Crime Prevention Unit...part of what they do is the Woman's Safety Clinics, the Child ID gatherings, and home and business security checks. I'd also have to cut positions within specialized divisions such as the Detectives, Juveniles, Crime Prevention, the Senior Service Officer and that would add to the already heavy case burdens that they have and the time at

this time. In the near future, this Board to look at increasing the complement of the Police Department and not decreasing it.

Mayor Baines interjected...just focus on this right now. This number here and where this number came from. I know I asked you today to get a number, did you get a chance to go through that number with the Finance Officer yet to see...look at the overall department budget and how it's performing.

Chief Jaskolka stated what I did is I sat down with our budget officer and I asked him to come up with a number for the five police officers starting February 28th through the end of the fiscal year and that would be a cost of \$77,524.23 and that would be the salary and benefits of the five police officers.

Mayor Baines asked, Randy, did you have a chance to go through this number with the budget.

Mr. Sherman replied we met this morning and discussed this issue. After the meeting I went back...every week we do salary projections through the end of the year to make sure that...to try to keep track of where the department's are knowing that everybody is tight. We have \$500,000 in the Salary Adjustment Account that the Aldermen set up when we went through the tax rate setting process. That \$500,000 is not sufficient to cover every department. All the contracts that were settled and the department's know that and each department head is doing their darndest to minimize the amount of dollars that they're going to be requesting at the end of the year. All I could tell you at this time on really such short notice is, I think, that \$500,000 is going to be sufficient to get the department's through the end of the year. Now, I can't tell you tonight whether there is excess dollars in there to release \$77,000 to the Police Department today. I need to talk to some of the larger departments like the Fire Department, the Highway Department and really get a better idea of where their salaries are going to be at the end of the year. But, again, I think the \$500,000 is good on regular salaries...somebody comes in and asks me for severance pay or asks me overtime...there's probably not going to be any dollars there. But, the department's are trying to not request dollars out of there. They're keeping their positions vacant, they're moving other line items if they have them, but tonight I just can't tell you if that \$77,000 is available, I really would prefer if I could put this off for a couple of weeks and come back and again talk to some of the other departments.

Alderman Lopez asked the 2% cola increase in your department, how much money is that?

Chief Jaskolka replied the 2% came to \$272,000.

Alderman Lopez stated let me remind some of the people that we're in the budget process and in a conversation I had with the Finance people that that \$750,000 and you indicated we

have about \$500,000 left there that each department was going to get a percentage of the cola, they were not to absorb all of that into their budgets. I'm looking at this and saying we're holding the Chief to the 2% cola that we allowed \$750,000 of that money into cola and each department was going to get a percentage and whatever that percentage at the end of the year if there was leftover to make it work. I think there's a priority here. It seems that the Chief has put a good plan together, I don't think he should be held to the 2% cola, at least that is not what I did in the budget process and the Mayor kept \$750,000 on the side and we used some of that money. Now, I understand that the \$500,000 probably will not cover all departments but what I'm hearing is a question of safety and, Chief, you speak for yourself...there's been some reported articles in the paper...crime rates went up and robbery and murders and stuff like that...do you sanction what's been in the paper that the crime in the City of Manchester is going up?

Chief Jaskolka replied we supply the FBI with those crime statistics so what they print is accurate and again if you look at the calls for service of 102,000 this year compared to 97,000 last year that's an increase of 5,317 calls for service in one year. The City's growing, the calls for service are going to grow and the crime rate is going to grow.

Alderman Lopez stated if you're saying that \$270,000 with a 2% cola...so if we give you the \$77,000 and the rest of the money if you could make up for the cola. In other words, if it's \$272,000 and we release \$77,000 out of your budget then you'll be able to fill those police officers.

Chief Jaskolka stated that money will only pay for the salary and benefits of the five police officers from February 28th till the end of the fiscal year.

Alderman Lopez stated I understand that and then you'll be coming in with another budget for '06 and that's my point. So, instead of making up \$272,000 for the 2% cola you only make up \$198,000, so that would give you that \$77,000 or \$195,000 whatever the figure is...do you following my thinking?

Chief Jaskolka replied I'm not following you, Alderman.

Alderman Lopez stated you have to make up \$272,000 for the 2% cola is that correct?

Chief Jaskolka replied yes.

Alderman Lopez stated so if this Board was to tell you tonight only make up \$195,000 and utilize the other \$77,000, right.

Chief Jaskolka stated I understand what you're saying now, yes. As opposed to the 2% cola, the \$77,000 would come out of that to make it \$195,000, whatever.

Alderman Lopez stated you could manage in hiring those five police officers for February.

Chief Jaskolka replied at that rate yes.

Alderman Lopez stated, your Honor, I think that that would probably be a solution. I think because of the safety aspect of it is to authorize the Chief to do that and the Finance people make up that other portion of \$77,000 for the 2% cola.

Alderman Guinta asked, Chief, do you have a general idea of where here in the City the increased calls are coming from?

Chief Jaskolka replied I don't have those particular statistics with me but the majority of that, as usual, comes from the inner-city.

Alderman Guinta stated I guess to me that would question why you're pinpointing the elimination of the Community Policing Unit if the majority of these increases in calls from '03 to '04 is coming from downtown. Why are you saying that is what we have to cut if we don't get this additional money? To be it doesn't make any sense...if you have the most increased calls in one area you're telling me that the only alternative you have is to cut the unit that polices that very area; it doesn't make sense to me.

Chief Jaskolka stated I understand what you're saying but on the same thing Community Policing Unit although it's part of patrol does a totally different function. It does deal with crime in the neighborhood but it also deals with other neighborhood problems and to the point where we try not to use them for actual calls for service. So, they wouldn't be responding to the normal calls that the regular patrol officer on that particular route would be.

Alderman Guinta stated the philosophy of the Community Policing Unit...as a general philosophy is to reduce the overall calls in the particular geographic area.

Chief Jaskolka stated that's correct.

Alderman Guinta stated so you're saying...

Chief Jaskolka stated not to reduce the calls but...

Alderman Guinta interjected to minimize.

Chief Jaskolka stated not to minimize but to deal with the problems in the neighborhood. Now, problems in the neighborhood could be cleaning up a city block, it could be looking

down an alley keeping the alley clean, keeping the kids in line, different things like that. They may not...

Alderman Guinta stated they don't all require calls for service, I understand that, but there are a whole host of issues that are in the downtown neighborhoods that Alderman Sysyn and I deal with that do recall calls for service and part of having the Community Policing Unit in those areas is to mitigate those issues. I know that that is not their sole focus but if you take drugs as an issue which seems to be much more or a rampant issue in recent months than even a couple of years ago when you have a Community Policing Unit in a geographic area cleaning up the area theoretically the calls for service should be mitigated. So, I guess my question is why would we be targeting that unit if that seems to be the unit that's most necessary in the City?

Chief Jaskolka stated I agree with you, Alderman, and the responsibility of that unit is in fact to target a particular problem there is still everything else going on in that same area. There are still going to be calls for service, there's still going to be thefts, there's still going to be assaults. They may be targeting a drug problem say at Spruce and Union Streets or somewhere in that area and they may have two or three officers down there on bicycles watching that area identifying people but at the same time they're still going to get the calls for service for the assaults, they're still going to get the calls for service for the domestics, they're still going to get the calls for service for the thefts/burglaries, they're still going to continue.

Mayor Baines interjected do you know what I would recommend on that issue so that we can focus on this one is that might be a good topic for Traffic/Public Safety Committee, they can flush that out.

Alderman Guinta stated I agree with you but the reason I brought it up is the Chief in his testimony suggested that without this increase for these funds that's the unit that's going to have to be dissolved. For me from an administrative perspective it just didn't make any sense to me to target that particular unit, that was my real concern.

Alderman Roy asked, Chief, what is your current complement of patrol officers?

Chief Jaskolka replied at full complement 205.

Alderman Roy stated so currently you're operating at 200.

Chief Jaskolka replied correct.

Alderman Roy asked based on the FBI statistics what should you have for a city our size?

Chief Jaskolka replied 253.

Alderman Roy stated so you're operating 53 men and women light from what you should be operating.

Chief Jaskolka stated it's a number that I believe is unrealistic but FBI statistics would say 253.

Alderman Roy stated so in the FBI's eyes to provide adequate public safety you should have 253 officers on the street.

Chief Jaskolka replied that is what they suggest.

Mayor Baines stated, Alderman, I appreciate this...and this is an appropriate discussion for budget...I would really like to focus on this request tonight. Because number one, if you approve the additional money then the Chief and I will sit down because the process of releasing the positions still must come through the Mayor; that issue has been around for a long time, so again if we could just focus on this request tonight I'd appreciate it.

Alderman Roy stated I know this issue has been around for a long time, unfortunately, I have not so I just wanted to make sure that my numbers were correct. Going forward with that and looking at this, Chief, you referenced in the summer coming up if you did not have these officers what would we be looking at in overtime and during your heavy vacation.

Chief Jaskolka replied if we were to go seven short with nine people on vacation, three per shift we could conceivably be 15 officers out of 16 officers short a day.

Alderman Roy asked can anyone in Finance or can you, Sir, give me a quick calculation as to how quickly we would eat up \$77,000 in overtime?

Chief Jaskolka replied I couldn't no.

Alderman Roy I believe it would be fairly quickly.

Chief Jaskolka stated fairly quickly yes.

Alderman Shea stated I'd like to defer to Alderman Lopez so he could make a motion so we could move this along.

Mayor Baines stated let's get a motion on the floor, I think that's a good move and I appreciate it.

Alderman Lopez stated after much discussion and knowing that the Chief has got to make up \$272,000 in the 2% cola I move to authorize the Chief to make \$194,000 and the Finance Department along with the Mayor make up the other \$78,000.

Mayor Baines stated I would accept the motion if I understood it. I'm not accepting it until I understand it.

Alderman Lopez stated he needs \$77,500 so I rounded it off to \$78,000...he's already been told he's got to make up \$272,000. So, we want to authorize him to relieve him of the 2%...instead of making up \$272,000, he only has to make up \$194,000 and that accomplishes the same thing.

Alderman Porter duly seconded the motion.

Alderman DeVries stated making the hires is time sensitive because of the February 28th deadline that you're trying to accomplish, is it further time sensitive because you've already done your qualifications, you've identified your candidates.

Chief Jaskolka stated we're in the process of background investigations now.

Alderman DeVries stated so you'll be ready to hire within...

Chief Jaskolka stated we'll be ready to hire for February 28th which will give us not the full ten weeks that we like to prepare them for the State Academy but it will give us enough time to prepare these officers to attend the State Academy.

Alderman DeVries stated I guess my concern is if you have qualified candidates that you've identified and they finish your entire process are you likely to lose them if you don't extend an offer, I heard the Finance Department saying that they would like a couple more weeks to work with you. Is this time sensitive so that that does not exist, are you going to be losing qualified candidates if you put this decision off?

Chief Jaskolka replied I do know that Concord has tested, Nashua has tested, and the State Police have tested. The history of candidates that have come to our department who we have not hired because they weren't the top-notch candidates are very quickly hired by other departments.

Alderman DeVries stated so if you find out tonight you're more likely to get the best of the best.

Chief Jaskolka stated if we find out tonight we can offer them the tentative offer of employment and we can start their background investigations.

Alderman DeVries stated I have just one other question because of Alderman Lopez's motion. I heard, I believe, you had already saved \$390,000 through your efforts in your budget.

Chief Jaskolka replied that is correct.

Alderman DeVries stated but you're not sure where you're going to be at because it's basically been a 4% cut for you across the board for your department and even if we go ahead with the hires today you still may not have that entire 2% cola come later in the season...that is kind of like a question for you to answer later so where Alderman Lopez's motion is specific to dollar amounts are you comfortable saying that you are going to be able to make up that dollar amount tonight.

Chief Jaskolka stated the only question I have here tonight is the money to hire the five officers. We as every other department are still working to bring our budget down to a reasonable level. The only thing due to the unpredictability of the police services I can't give you a figure of where we'll be sitting come June.

Alderman DeVries stated I'm not looking for a figure. It just seems that it would be much easier for us to be dealing with a simplified motion that simply says to make the \$78,000 available to his department today and doesn't try to deal with the rest of the 2% cola that he may or may not be able to come in with, that's between the Chief and the Finance Department over the remainder of the budget year.

Alderman O'Neil stated I agree with Alderman DeVries we should simplify this as best we can. The Johnson Street homicide cost the Police Department \$20,000 in overtime that's without even court time involved. We can't start holding him to numbers today. He's telling us maybe I'll make it through the year, so I agree with Alderman DeVries we should simplify this and just say hire the five police officers, we'll figure out how we're going to do it. That's how I think the motion should be, not trying to back into this by well he's going to save seventy odd thousand dollars from a cut that's he's supposed to make up. I think that's a very difficult position we're putting the Police Department in.

Mayor Baines stated the only thing I'd clarify...what should be authorized tonight would be additional money into his budget, tomorrow he would make a request of the Mayor to fill the positions...

Alderman O'Neil interjected that's fine, your Honor, but we need to simply this to get the police offers hired.

Alderman O'Neil moved to amend the motion to make it as simple as possible for not only the Police Department.

Alderman Lopez stated I just have a question. Are we still going to hold them for getting the 2% cola...?

Mayor Baines stated our position is that all departments are being held to that and if there are situations they will come through the Mayor, through the Finance Officer and we'll come back to the Board with every department.

Alderman Porter withdrew his second to the main motion if Alderman Lopez would withdraw his original motion.

Alderman O'Neil moved to grant the Chief's request for \$77,524.23 to be transferred from the Salary Adjustment Account to the Police Department operating Budget. Alderman Forest duly seconded the motion.

Alderman Gatsas stated it's interesting that we sit here and discuss safety issues in the City for \$78,000 and five police officers when this morning I read the paper and it says that the School District is hiring an language interpreter, a sign interpreter...I would think that when we do the budget that comes forward in the next few months we keep these considerations before us because I don't think safety should be an issue when we're talking about public safety. But, yet, we read about the bare bones budget and we don't know if we can make it and here's sign interpreter at the School District, so certainly the Chief should be allowed the five officers to protect the citizens and the taxpayers of this City.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Alderman Smith stated safety is everybody's business but we're really concerned with Fire, Police, Highway and Health and the Fire Department, if you remember correctly, has two ladders trucks just to the end of February, I just want everybody to know that and as Chairman of the Accounts Committee I'd like to ask Randy Sherman what the status is going to be. I have no qualms about putting policeman on but where are we going to get the money we are trying every month on the Accounts Committee...we're six months into the process and three different departments have asked for money so far and where is it going to put us and where are we going to get the money especially if the Highway Department has a big, big snowstorm in January or February, what happens...that \$500,000 is out...where are we going to get the money?

Mr. Sherman replied I'd like to say we'd get it from a debt swap but...when we set the tax rate the Aldermen did two things. They set \$500,000 aside in the Salary Adjustment

Account and they also put in an additional \$150,000 into the Contingency Account. The Contingency Account at this point is just shy of \$285,000 that's really our security blanket. I'm not sure again, Alderman, if that's sufficient dollars but that's why we're trying to make the \$500,000 go as far as it can go. As I told the Mayor and the Chief earlier today in an e-mail I said as long as we don't get some odd occurrence like you said from the Highway Department for overtime dollars I think we'll be okay. But, ultimately that's what you've got...you've got \$785,000 in total other than that it's got to come from the department budgets which could possibly mean layoffs by the end of the year.

Alderman Smith stated thank you that is what I didn't want to hear. But, being on the Accounts Committee it's getting very close now where departments are over spending and something going to happen so I want everybody to be aware of the situation.

Alderman Lopez asked does anybody know the number of departments that have said that they do not have enough money for the rest of the year and their particular problem and what will transpire.

Mayor Baines replied I know the Building Department has made some indications, are there others, Randy?

Mr. Sherman replied the Highway Department has expressed their concern, Planning Department and the City Solicitor's have expressed their concerns, but Building is the one that we're most concerned with. They've got a major...

Alderman Lopez stated the department heads had that responsibility to let us know and I hope that we get the information out as to which department is going to be short and why they're going to be short and understanding in conversation with some of them, they understand that at the end of the year...Randy you can balance everything out and then we're going to come out pretty good, so we're expecting that again.

Mayor Baines stated as you know the Committee on Accounts...that is where all of that information comes in and through the Aldermen.

Alderman Lopez stated I just don't want, your Honor, that a department head has informed the right people and then the correspondence is lost somewhere along the line.

Alderman Gatsas asked, Randy, can you tell me...let's assume that the \$285,000 isn't enough and the \$500,000 in Contingency isn't enough...do we as a Board have an opportunity to open up the budget and remove money from say the Medical Reserve Account?

Mr. Sherman replied yes. We can move money within the budget, it's highly unlikely that you would be able to add to the budget because the only way you can do that is if we have revenues that far exceed what is budgeted. But, you can move money from all of those accounts. Anything that's unencumbered you have the right to move around.

Alderman Gatsas asked how much do we have or maybe you can't give me that number today, but I'd like you to get back to this Board with a number that's unencumbered in the budget.

Mr. Sherman replied okay.

13. Resolution:

“Authorizing the Finance Officer to effect a transfer of Five Thousand Dollars (\$5,000.00) from Contingency to Management Services.”

On motion of Alderman Forest, duly seconded by Alderman Sysyn, it was voted that the Resolution be read by title only, and it was so done.

Alderman Roy moved that the Resolution pass and be Enrolled. Alderman Sysyn duly seconded the motion. There being none opposed, the motion carried.

TABLED ITEMS

14. Report of the Committee on Traffic/Public Safety recommending that Ordinance:

“Amending Section 70.57(A) Parking Rates of the Code of Ordinances of the City of Manchester by increasing the monthly parking garage rates.”
providing for increase of parking garage rates from \$65.00 monthly to \$70.00 monthly, as enclosed herein, be adopted with an effective date of January 1, 2005.
(Tabled 11/16/2004 at the request of Alderman Guinta.)

On motion of Alderman Lopez, duly seconded by Alderman Sysyn, it was voted that Item 14 be removed from the table for discussion.

Alderman Lopez stated we received this document this evening and I think some of the questions aren't answered and the City Clerk is going to review it and find out where it said it would go up yearly in price, but the main issue tonight is do we want to go up since you're putting your budget together and what's happening, do we want to go up an additional from \$65.00 to \$70.00.

Mayor Baines asked is that a motion..

Alderman Lopez moved to accept the report of the Committee to Traffic to increase the parking garages rates effective February 1, 2005. Alderman DeVries duly seconded the motion.

Alderman Guinta stated the reason I had requested this information is I wanted to see the trends in each city over the last five years. So, I was looking for a much more detailed report. I had a chance to speak with Matt Normand who said it was very difficult for him to even get the information that we've got in front of us. So, I recognize that, I appreciate the work that he tried to do but really what I was looking for is trending or historical information. Just based on what we're looking at in front of us I don't know off the top of my head it says regarding Concord...which is pretty high \$82.50 a month...I don't know if that 10% from '03 to '04 is part of payment for a bond for a new parking garage. That might be one reason that they have gone up as high as they have but the concern I have really comes down to vacancy rates. In Manchester you've got office and retail 17.5% vacancy rate and 12% in the retail side. If you continue to increase garage fees it's very, very possible that you're going to see those vacancy rate at the very least stay the same or increase and that's the concern and the objection I have. Everything else seems to be fairly in line in terms of the rental rates at least on the office side, we're a bit lower on the retail side which is good to see when you attract business to the City, but the concern I have right now is the vacancy rate and at 17.5% per office and 12% for retail I don't know if it makes sense. My position would be that it's cost prohibitive.

Mayor Baines called for a vote on the motion. The motion carried with Aldermen Guinta and Forest duly recorded in opposition.

- 15.** Report of the Committee on Lands and Buildings recommending that in accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at Francis Street, known as Map 0861, Lot 0025-N by executing deeds relating all rights, title interest, or claims in said property. Said property formerly owned by Francisco F. Jardine was acquired by the City of Manchester by virtue of Tax Collector's deed dated September 2, 1943 and recorded in Hillsborough County Registry of Deeds on September 9, 1943, Volume 1051, Page 0369.

The Committee recommends that said property be disposed of through public auction with a minimum bid to be set at \$14,000.

The Committee advises that it has found such property to be surplus to City needs; and that the Board of Assessors has provided an opinion of value in the range of \$20,000-\$40,000.

The Committee further recommends that the Tax Collector and City Solicitor be authorized to proceed with disposition and prepare such documents as may be required, and that the Finance Officer be authorized to credit tax deeded accounts as deemed necessary.

(Tabled 12/21/2004 pending updated communication from Assessor, and results of the 01/06/2005 Zoning Board of Adjustment hearing.)

This item remained tabled.

NEW BUSINESS

Mayor Baines stated tomorrow Channel 9 here in Manchester is running a telethon from 5 AM through the evening for the relief for the victims of the terrible Tsunami tragedy, so I want to make people at home aware of that, there's opportunities to contribute to the American Red Cross and other organizations and I know I'll be appearing tomorrow night sometime, not that that will attract viewers, but I will be out there advocating on behalf of the City and the citizens to contribute to the relief effort. My wife and I will be making a donation and we encourage people from the community to make donations no matter how big or how small to help America respond to this terrible tragedy.

A report of the Committee on Human Resources/Insurance was presented recommending that the Board authorize the Human Resources Director to contract with Boston Mutual Insurance Company for the term life and accidental death and dismemberment insurance and with CIGNA for the long-term disability insurance; such contracts to be effective February 1, 2005. The Committee notes that information regarding this recommendation is enclosed herein.

Alderman Shea moved to accept, receive, and adopt the report of the Committee on Human Resources/Insurance. Alderman Smith duly seconded the motion.

Alderman Gatsas stated I was allowed this evening to ask some questions of Mr. Scherr who is, I think, our consultant on insurance matters and my question was that the rate of \$71,000 that we're paying in premium why we wouldn't be self-insuring this policy instead of going out to a broker because anytime that...and I was looking for some sort of numbers on the number of lives that we're covering and after turning the page and looking at the why maybe the insurance company's taking this is because there's an additional \$150,000 is paid for the dependants which is a total of somewhere around \$220,000 which may make up the difference of why the insurance company is so...because I had asked this question some three years ago when we were going to look at self-insuring this program, your Honor, the next time it came around, but for some reason it fell through the cracks. So, I think maybe we should table this to get some vital information that this Board can see on the number of lives that were lost in the City and what they were paid in the last three years. I think that that's very pertinent information to this Board to make a decision when we're talking about safety at the Police Department of \$77,000 that were looking for funding.

Ms. Lamberton stated I have two responses to that. As we discussed earlier at the Human Resources/Insurance Committee if an employee dies that's \$50,000, if two employee's die we have to pay out \$100,000 which exceeds the money that this contract would be. Secondly, I am under very short timeframes here. Our contracts with our current provider expire February 1st. If this is tabled and it doesn't come up again until January 25th that gives me four work days to convert from the carriers I have now to two new carriers and I don't see how that's possible.

Alderman Gatsas stated I would assume and I try to address this a little bit more calmly in the HR Department, but I would assume that the insurance company has the actuary amount of people that have passed away. So, if it's two it's \$100,000 then they are not going to sell the City a policy for \$71,000. Under no circumstances will they do that to incur a loss. So, we need to get the numbers, I asked Mr. Scherr about that, he didn't have the availability obviously he's expert opinion and if he was here again now I'd ask him the question that if it was his company would he self-insure it or go to an insurance company for \$71,000. I think it's important enough that we look at that.

Alderman Shea stated first of all we do need to cover people. The second point is by putting this out to bid we are saving and I'm not sure how much but \$71,000...

Ms. Lamberton stated we're saving a lot of money.

Alderman Shea stated we can talk about what Alderman Gatsas is talking about but we're putting people in jeopardy here because we're not covering them. In other words, we come back and they don't have coverage what are we going to do, so my suggestion is we take a roll call on this and find out if the members here are in favor of supporting this or not.

Alderman DeVries stated certainly self-insurance is probably something that is a longer term process to accomplish. Is this policy that we're entering into something that...it's a three-year policy or is this a one-year renewable for three years guaranteed rate?

Ms. Lamberton replied one is a 3-year contract and one is a 4-year contract.

Alderman DeVries asked is there any way for this to be other than what is presented to us tonight? If we wanted to look at the self-insurance and there's a review process to set that up, is there a way for us to enter into a one-year contract and vote on that tonight?

Ms. Lamberton replied if we do that the rates will go up. The reason why we're getting the lower rates is because we're guaranteeing them our business for a longer period of time.

Alderman DeVries stated two years ago because I think at committee we discussed...Alderman Gatsas had had this discussion with you two years ago and your recollection at committee was that the average death per year was 1.5% or maybe it was Alderman Gatsas that had that recollection.

Alderman Gatsas stated my recollection was when I asked the question three years ago it was 1.5 people over a three year period; that was the average. There was one year that had none, there was another year that had three but never did I ever intend not to insure people, Alderman Shea. The \$71,000 would be there to pay for the lives that were there.

Alderman Shea stated may I respond. I'm not saying that you said that, what I'm saying is that if we put this particular situation on hold then we stand...oh, yes, yes...because we have to make a decision by February 1st that's the point, that is what I was trying to get at.

Alderman DeVries stated so certainly if three years ago when the last check of this was done the average was at 1.5 per year which is equivalent to about the \$75,000 that this policy would cost us so it sounds like we may or may not save any money over the process of the next three years if that's the average three years ago.

Alderman Guinta stated I have a couple of quick questions. Ginny, this went out to RFP correct?

Ms. Lamberton replied we had two separate RFP's...we had an RFP for Long-Term Disability, we had UNUM, we had CIDNA, we had Medical Life Insurance Company, Hartford Life Insurance Company, SunLife Financial, Boston Mutual, Anthem and the Standard Insurance Company for Long-Term Disability. For Life and Accidental Death we had Anthem, Boston Mutual, AIG, SunLife Insurance, CIGNA, United Standard and Medical Life Insurance.

Alderman Guinta stated isn't one of the benefits of going to self-insurance...

Ms. Lamberton stated my experience with the health insurance would be no, it is not cheaper. They did not bid on this. This was put in newspaper, they had an opportunity to bid on it but they did not bid on it.

Alderman Guinta stated they bid last time.

Ms. Lamberton replied no they bid for health insurance.

Alderman Guinta asked do they typically bid on this type of insurance?

Ms. Lamberton replied actually I don't know if they do life insurance or not.

Mayor Baines called for a vote to accept a report of the Committee on Human Resources/Insurance. The motion carried with Aldermen Gatsas and Guinta duly recorded in opposition.

Deputy City Clerk Johnson asked the Board to return back to Item 14. Item 14 was an ordinance regarding the parking garage rates and it's my understanding that that report was accepted with a change to February 1, 2005. We would need a motion to suspend the rules and place that ordinance on its final reading at this time.

Ordinance:

“Amending Section 70.57(A) Parking Rates of the Code of Ordinances of the City of Manchester by increasing the monthly parking garage rates.”

Alderman Lopez moved to suspend the rules and place the ordinance on its final reading at this time without referral to the Committees on Bills on Second Reading and Accounts, Enrollment and Revenue Administration. Alderman DeVries duly seconded the motion. The motion carried with Aldermen Guinta and Forest duly recorded in opposition.

On motion of Alderman Garrity, duly seconded by Alderman Smith, it was voted that the ordinance be read by title only, and it was so done.

This ordinance having had its final reading by title only Alderman Lopez moved on passing same to be Ordained. Alderman Shea duly seconded the motion. The motion carried with Aldermen Guinta and Forest duly recorded in opposition.

Deputy City Clerk Johnson stated we did distribute a notice regarding the Special Committee on Solid Waste Activities noting that the Chairman resigned. Alderman Roy was appointed as Chair by Alderman Shea and that Aldermen Guinta, Thibault and Forest were appointed by Alderman Roy to serve on that Committee and I believe that Alderman Shea has an additional communication regarding another special committee which has not been distributed this evening.

Alderman Shea stated what I want to bring to the attention of the Board is that I did receive from Tom Clark the Rule 13 regarding the special committee that I did attempt to bring up and I appreciate that and I also was in error because Carol did send me minutes of meetings regarding the appointment by the Chairman of different committees and I think the reason that I did miss it and I apologize for missing it was that that has always been part of an agenda item which was obviously approved by the Board and that certainly was my error and I apologize for that and I want to sincerely thank both the City Solicitor's Office for taking the time as well as the City Clerk's Office, Carol in particular, but the City Clerk's Office for following up and I do apologize for my discussion of the matter and I thank you for your indulgence in that.

Alderman DeVries stated I am going to take us back to Item 5 which was the presentation that Bob MacKenzie had made on the Shoreland Protection Act and we did discuss it, we'd like to send that to the Committee on Bills on Second Reading, but a motion was never made and I will now move that any change of the Zoning Ordinance be discussed and pursued at Bills on Second Reading.

Alderman Gatsas moved for reconsideration of the report of the Committee on Human Resources/Insurance regarding life insurance so that the HR Director can give us statistics of the last three years or the last four years on the amount of claims that have been paid by the insurance company.

Mayor Baines stated okay but that does not negate the vote of the Board to go forward.

Alderman Lopez stated we're moving forward with it so why don't we just get the information.

Mayor Baines stated that is what will happen.

Deputy City Clerk Johnson stated Alderman DeVries moved Item 5, however, I did not get a second or a vote on that.

Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

There being no further business to come before the Board, on motion of Alderman Smith, duly seconded by Alderman DeVries, it was voted to adjourn.

A True Record. Attest.

City Clerk